



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## **PRESCOTT VALLEY COMPANIES ORDERED TO REFUND INVESTMENTS**

PHOENIX – The Arizona Corporation Commission ordered Aeromax, Inc., and Aeromag Corporation, their president, Lexington Bartlett, and David Sears, vice president of Aeromax, Inc. to offer refunds to investors in the amount of \$1,343,119.76 and to stop selling unregistered securities and committing securities fraud. Bartlett, Sears and the companies are located in Prescott Valley, Arizona. The order affects 303 stockholders who purchased 516,149 shares of stock between November 1994 and February 2001. At least 171 investors reside in Arizona. The Commission also ordered the companies and individuals to pay penalties of \$36,000.

Aeromax purportedly holds an “exclusive license” for Aeromag products and is responsible for marketing renewable energy systems. Aeromag is purportedly a sister company of Aeromax and manufactures small wind turbine generators for power generation as well as associated components.

In selling the unregistered securities, Bartlett and Sears misrepresented the amount of profit shareholders could anticipate, including promising investors a 900% return resulting from an initial public offering. Bartlett and Sears violated the securities laws by not giving investors essential financial information about either Aeromax or Aeromag.

Before investing, Mark Sendrow, Director of the Corporation Commission’s Securities Division, urged investors to “demand full disclosure in writing about a company’s financial condition and to be skeptical of claims of high, risk-free profits. Such claims should be a red flag for investors. Another red flag often is a company’s failure to register its stock with the Arizona Corporation Commission’s Securities Division. Investors should check with the Securities Division about a company’s registration status before investing.”

Sendrow also cautions investors to conduct a thorough check into “trendy” investments or stocks that are issued in the wake of events such as the California energy crisis or terrorist attacks. “Though many of the Aeromax/Aeromag stock sales took place prior to the California energy crisis,” Sendrow said, “renewable energy technologies drew increased attention as a result and Aeromax/Aeromag probably benefited from the increased attention.”

To check out an investment or the registration status of someone promoting an investment, call the Commission’s Securities Division at (602) 542-4242, toll free at 1-877-811-3878, or access the Division’s website at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us).

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